

Parma 2001: An Economic Development Strategy for the City of Parma

Prepared for
The City of Parma, Ohio
by
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Sincerely,

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Executive Summary

Future Economic Vision

Parma 2001 is a bold, but achievable economic development vision and strategy for the City of Parma. It envisions Parma as making measurable progress over the next five years in becoming a more prosperous and entrepreneurial community; one whose future development will be based upon sound social values, rising standards of quality and excellence, and a deep commitment to the continuous improvement of its neighborhoods, and economic base.

Parma's development history is marked by both successes and challenges. As a changing suburban community, situated within a transitioning economic region, Parma must concentrate its energy and resources on making the City a more prosperous and entrepreneurial place. Parma City Hall can play an important role in spurring future development within the City's borders. City Hall's greatest impact will come through well-defined and focused partnerships with local, regional, and state development organizations concerned about the same things.

Parma is a significant economic center within the Greater Cleveland region. The City has strengths in commercial, industrial, institutional, and residential development. Its neighborhoods, commercial districts, and industrial zones demand reinvestment and renewal to reach their full future development potential. Parma 2001 can increase these areas' ability to attract these resources. The strategy can also help these areas to find new economic purposes in the future.

Strategic Thrusts

Parma 2001 is comprised of three strategic thrusts. The first is to increase local business competitiveness through strategic intervention by the City of Parma and its development partners. The second thrust is to increase residential prosperity, and improve the local quality of life. This is especially important given Parma's significant residential

character. Finally, the strategy focuses on making strategic investments increasing local competitive advantages for future job and wealth creation.

Entrepreneurial Development

Entrepreneurial economic development will be much more important to the City's economic future. Toward this end, it is proposed that Parma:

1. encourage increased home-based enterprise development;
2. foster new venture creation in businesses focused on specialized market niches;
3. recruit technology-based firms spinning off from regional technology centers.

Parma can increase its success in these three entrepreneurial areas by:

1. creating the *Parma Enterprise Center* to incubate new businesses in the City;
2. establishing the *Parma Entrepreneurial Training Course* increasing local business start-up and management skills; and
3. developing a *Community Entrepreneurial Awards* program to reward entrepreneurship by local small business owners, residents and students.

Anchor Employee Assistance

The City must also give increased attention to large anchor employers which currently have a major impact on local jobs, income, and tax base. The *Anchor Employer Retention and Expansion Initiative* will allow the City to prepare and implement a focused plan to monitor and help retain its major manufacturing, retail, and institutional employers.

Small and Medium-Sized Business Growth

Smaller and medium-sized businesses account for a major portion of new job growth locally and nationally. Parma needs to help its export-based businesses to expand and grow within the community. A targeted strategy aimed at these high-potential companies will yield favorable job returns for the City.

Parma Quality Jobs Initiative

Parma should focus its greatest attention on the creation of “quality” jobs, which are more durable and sustainable in the face of rapid economic change. These jobs will be more knowledge and technology-intensive. They will be multi-skilled and multi-task jobs that involve working in competency-based work teams. Quality jobs will offer greater financial and personal rewards to employees.

To increase quality jobs in the community, Parma should:

1. provide local tax incentives and special assistance to employers transforming their personnel and human resource departments into “*Knowledge and Skill Enhancement Centers*.” Parma should give leadership to a statewide initiative for quality job creation. The City should become the “pilot” for this new program.
2. provide *local and county tax credits for residents* investing in their own workforce preparation, or buying computers and software for their homes to perform work and educational purposes.

Amenity and Experience-Based Economic Development

The City should use carefully selected transportation gateways to build a new economic and community image for Parma. The *Parma Gateway Initiative* is proposed as a “guided experience” strategy to improve perceptions and experiences of the City as a place to live and conduct business. Ridge Road already serves as a “front door” to Parma. Ridge Road and other transportation corridors can be redeveloped to give shape to future growth which is consistent with the City’s future development vision. These gateways, coupled with a creative City icon, can help Parma to build a more desirable and better understood image in the future.

Parma Neighborhood and Business Zone Revitalization Initiative

Mature communities like Parma must work at revitalizing neighborhoods and strengthening the competitive advantages of their commercial and industrial districts.

The City must be selective in which areas it chooses to redevelop. Moreover, these efforts should be guided by the City's overall future development vision and goals to achieve consistency, coordination, and synergy in development patterns. The City should :

1. establish a *citywide landbank* to acquire and redevelop land for future growth;
2. work with the private sector to build a new *futuristic industrial park*, and
3. increase *retail area competitiveness* through better planning and increased public and private investment.

Community Resource Investment

Parma must strengthen its transportation, communication and information, and workforce resources to increase its competitive advantages for economic development. The City should:

1. Improve *public transportation access* to major employment and amenity centers within the City by working with RTA and other transportation agencies;
2. Create a *citywide integrated computer and cable television network*, eventually linking businesses, schools, libraries, government offices, and homes in the City. This network should make education more portable to homes and the workplace. It should enable residents to create more information-based businesses in their homes. Finally, it should link the City to the region and surrounding world in creative and innovative ways.

Implementation

Parma will need the continued advice and assistance of its Economic Development Committee, as well as many other resources, to successfully implement the initiatives recommended in Parma 2001. The Committee should be maintained and expanded to increase access to resources and leadership required to implement the Parma 2001 strategy. A time schedule should be developed to guide implementation, reflecting the City's priorities and resources. An implementation plan should be prepared for all top

priority initiatives. These plans should identify how resources needed for successful implementation will be mobilized. They should define working ties between the City and its major public and private development partners to accomplish these initiatives.

Over the next three months, the City should refine its priorities and meet with its major development partners to define how each can assist during implementation. During the Summer and early Spring, the City should have crafted implementation plans for all first and second priority development initiatives.

PARMA 2001 ECONOMIC DEVELOPMENT STRATEGY

Prepared For The City of Parma

By

The Urban Center/Levin College of Urban Affairs

Cleveland State University

I. Economic Vision and Potential

Over the next five years, Parma will make measurable progress in becoming a more prosperous and entrepreneurial community; one whose future development is based upon sound social values, rising standards of quality and excellence, and a deep commitment to the continuous improvement of its neighborhoods and economic base.¹

Purpose

This report describes *Parma 2001* as an overall economic development strategy to help guide the City of Parma into the rapidly approaching 21st Century. We live in turbulent and dynamic economic times. Communities face great difficulty in keeping pace with these economic and social changes, and their impacts on local businesses, institutions, and residents. Economic vision is often impaired by local and national uncertainties that reduce community leaders' ability to define future economic opportunities and challenges. Parma must set its sights on the future, and it must stake out a territory in the future economic development marketplace. *Parma 2001* builds upon the City's strengths as a major residential, commercial, and industrial center in the Greater Cleveland area. The strategy also identifies avenues that could overcome the City's current shortcomings for economic development.

The key words in the *Parma 2001* economic vision statement are: prosperity; entrepreneurship; quality and excellence; and continuous improvement. These ingredients are in synch with larger economic trends shaping the City's future, and they are consistent with the values and aspirations of the City's population and leadership. These words carry forward the best of what Parma is today, and they contain an

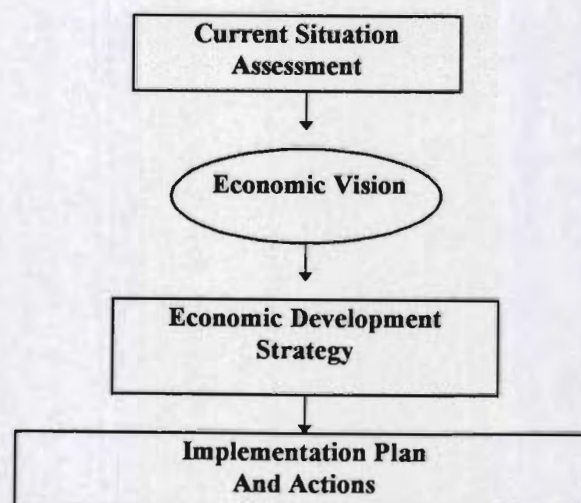
¹ This vision sees community-building within a dynamic regional economy as the central challenge facing the City of Parma. This vision, and the strategy designed to achieve it, go far beyond traditional economic development strategies focused on business retention and community development.

underlying desire to use economic development to make the City a better place to live and work in the future.

This report identifies the contributions the City's residents and economic generators make today, and could make tomorrow, to the Greater Cleveland regional economy.² Most importantly, it identifies effective local initiatives that can help preserve the City's existing economic assets, and develop new ones. Parma has faced many earlier economic challenges and opportunities. More lie ahead for the City, its residents, and its employers. Each must be ready to meet future challenges. Parma City Hall, armed with the right economic strategies, can increase the return to businesses and residents.

Successful community economic development strategies possess three essential elements: 1) a clear and achievable vision of the city's economic potential; 2) focused strategies that help the community develop this economic potential; and 3) the commitment of leadership and community resources to accomplish effective plan implementation. This report describes how the City of Parma can accomplish these three things, in collaboration with its major public and private sector development partners.

Figure 1
Parma Economic Strategy Development Process



² Parma's economic base is estimated at \$1.7 billion in annual spending, which is between 4 and 5 percent of Cuyahoga County's estimated \$38.3 billion economy.

II. Current Situation Assessment

Population and Housing Dynamics

Parma is a well-established, densely-developed, community located within the Greater Cleveland region. The City's density is reflected by its 4,435 people per square mile, and 2,540 jobs per square mile. The City has been losing population over the past fifteen years, although these losses have slowed in recent years. These losses relate to overall changes in the regional economy, underlying long-term regional demographic shifts, and localized conditions in the City that limit its residential development potential. Parma remains the region's largest bedroom suburb. The City offers many attractive and affordable housing options, but it must work harder in the future to retain existing residents and attract new ones. Parma must be prepared to offer more single-family housing options which are competitive with those found in surrounding North Royalton, Strongsville, Parma Heights, and Seven Hills.

The City's 87,800 residents represent 6.3 percent of Cuyahoga County's 1.4 million population, and 3.9 percent of the Greater Cleveland region's 2,278,000 total population. Parma's residents are a vital part of Greater Cleveland's human capital infrastructure, which is of rising importance as a determinant of future community economic success. The prosperity of Parma residents depends both on the health of the City's economic base, and the surrounding regional economy.

Economic Output Value

Parma is a major generator of economic activity, creating an estimated \$1.7 billion in annual economic activity in the Greater Cleveland region.³ The City's economic output is 4.4 percent of Cuyahoga County's estimated \$38.25 billion economy. Parma's ties with the regional economy are very significant. The City's retail trade, wholesale

³ This is a very general estimate of the value of city economic output, based upon the city's share of Cuyahoga County's employment, payroll, and total personal income. It is intended to give only an order of magnitude estimate of the size of Parma's economic base.

distribution, professional and business services, and manufacturing industries comprise the major portion of this economic output. Most of these industries depend upon regional resources to make them successful.

Retail Sector

There are 580 retail businesses located in Parma. These stores produced annual sales of \$775 million in 1992, making Parma the third largest retail center in Greater Cleveland. The City was the second largest retail center in both 1982 and 1987. The community's greatest shopping competition comes from North Olmsted, Medina, and Elyria. The new mall under construction in Strongsville will provide added competition to Parma retailers. Parma is a significant regional center for commerce, industry, and recreation. All of these economic activities contribute to the economic good of the City and the surrounding region. The City's retail businesses employed 15,900 people in 1994, which is 31.3 percent of total City-based jobs.⁴

Service Sector

Parma's service businesses employed over 19,000 people in 1994, or 37.7 percent of the City's total employment. In 1992, Parma's 540 service businesses had 1992 annual receipts of \$270 million, which was 3.4 percent of Cuyahoga County's total service business receipts. Parma houses major offices of Kaiser Permanente, Parma General Hospital, Parma City Hall, Parma Board of Education, Cuyahoga Community College, and selected other major service operations. The City's chief competition for office business location is provided by the southwestern and western communities of North Olmsted, Westlake, Independence, Middleburg Heights, and Berea. Independence is the most dominant suburban office center in this general region, although North Olmsted and Westlake have seen steady growth in their office sectors. Parma needs to increase its share of export-oriented services, which serve non-local residential and business markets.

⁴ Source: CSU ES-202 Economic Database, Economic Development Program, Urban Center.

Manufacturing Sector

Parma manufacturers employ 7,011 people, which is 13.8 percent of total City-based jobs. Industrial development activity is concentrated around General Motors' 3,500-employee facility in the Northwest corner of the City. General Motors accounts for one-half of the City's total manufacturing jobs. It is believed that GM's local suppliers account for a significant number of the remaining industrial jobs in the City. Another twelve manufacturers in the City employ fifty or more people. Only five local production plants employ 100 or more people. Parma's most significant industrial development competition comes from Strongsville, North Ridgeville, Brunswick, Medina, Westlake. These communities share in common four important development advantages: 1) they possess more developable land; 2) they are characterized by lower development densities; 3) they have stronger interstate highway access; and 4) they are newer and growing communities with younger population bases.

Laborforce

Parma is a major regional labor market supplier with 41,600 resident workers. The City has a resident jobholder to total resident ratio of 2.13, which means that each resident employed supports 2.13 members of the City's population. Only 22.1 percent (9,180) of Parma's resident workers are employed in Parma, and the remaining 78 percent work in other regional locations. About 95 percent (39,520) of the City's 41,600 resident workers are employed in Cuyahoga. While nearly 50,800 jobs exist in the City of Parma, only 18.1 percent (9,180) are held by Parma residents.

Over 21 percent of the City's 41,600 resident workers hold administrative support jobs. Twelve percent hold professional specialty jobs. Another 12 percent are executives and managers. Over one-quarter (25 percent) of its resident workers are employed at skilled, semi-skilled, and unskilled manufacturing jobs. This suggests that the resident workforce is still heavily dependent upon manufacturing sector jobs, which are expected to continue

to decline in Cuyahoga County. The expected rate of future manufacturing job decline in Cuyahoga County is estimated at 2,300 per year between 1995 and 2005.⁵

Employment and Earnings

The City's 50,800 jobs generate an estimated \$1.64 billion in annual earnings. A breakdown of City-based employment is provided in Table 1. These jobs represent 7.4 percent of Cuyahoga County's 683,000 total jobs, and they represent 4.6 percent of the six-county region's 1.1 million total jobs. Its \$1.64 billion in annual earnings is 4.6 percent of the region's \$35.6 billion total earnings. Parma's 34,685 total households average 1.2 jobs per household. The City's 41,600 resident workers produce an estimated \$1.34 billion in annual earnings. This represents \$32,211 per year in average annual worker earnings, and \$38,700 in average annual household earnings.

Table 1
City of Parma 1994 Overall Employment Profile⁶

Industry	1994 Employment	Percent Total City Employment
Agriculture and Mining	149	0.2
Construction	942	1.9
Manufacturing	7,011	13.8
Transp., Comm., Pub. Util.	2,869	5.7
Wholesale Trade	2,048	4.1
Retail Trade	15,906	31.3
Finance, Insur., Real Estate	1,921	3.7
Services	19,091	37.7
Government	752	1.5
Total	50,801	100.0%

Source: CSU Urban Center ES-202 Economic Development Database.

Local Business Market Orientation

A large number of Parma businesses sell their products and services to businesses and residents of surrounding communities. The City's health care, retail, and service industries depend heavily upon Greater Cleveland regional market demand. Parma shares a common regional public infrastructure and labor market with its neighboring

⁵ Source: Wharton Econometric Forecasting Group (WEFA), county employment forecasts prepared for CSU Urban Center, 1995.

⁶ Data are for Zip Codes 44129, 44130, 44134, which is a slightly larger than the City of Parma.

communities. These shared resources are vital to economic growth in Parma, and other regional communities. This implies that Parma's economic development strategy success will depend a great deal upon the City's linkages to the changing regional economy.

Municipal Fiscal Condition

Economic development efforts will be necessary to strengthen the City's future fiscal condition. Competition for financial resources are expected to grow stronger in the future. The City's fiscal condition is a critical component of its capacity for economic development, because this economic development will require strategic financial investments by the City in specific economic development projects, and community resources serving as important local residential and business amenities.

The City's fiscal condition is currently stable. Its revenue base has experienced modest growth. The City had \$38.2 million in total revenues in 1994. Since 1986, revenues have grown 4.2 percent annually, exceeding the period's average annual inflation rate of 3.9 percent. Expenditures have kept pace with revenues, with several increases in quality of life type investments. Its revenue base is diversified, with one-half of revenues coming from income taxes. Intergovernmental revenues accounted for another one quarter. Finally, property taxes, fees, and other sources combined represent the remaining twenty-five percent. The community's heavy dependence on General Motors for tax revenues is problematic. Fortunately, the company has retained existing operations and jobs to a high degree in recent years. GM is 35 percent of the City's property tax assessed valuation, and 25 percent of income tax collections.

On the expenditure side, the City spends the most on safety, general government operations, transportation, capital outlay, and recreation activities.

The City has made only minimal use of its debt capacity, based upon comparisons to neighboring communities. This capacity could play an integral role in financing future local economic development investments.

Parma's Major Development Challenges⁷

Parma faces several major development challenges, including slow local and regional economic growth, limited land for future development, highway transportation access problems to many neighborhoods and business zones, unclear local development goals and priorities, limited governmental revenue generation potential based upon the existing tax base, an older housing stock and associated neighborhood development problems, a limited ability to compete for new business investment opportunities, and several other problems. Many of these issues can be improved over time through the concerted leadership of City Hall and its local and regional development partners.

Economic Development Partners

Parma's economic development partners include many local, regional, and state groups. Locally, the Chamber of Commerce, the Parma School Board, and various merchant and other local business associations are the strongest candidates for ongoing partnerships. On a regional level, Cuyahoga County Government, the Greater Cleveland Growth Association, the Council on Smaller Enterprises (COSE), Work-In-Northeast Ohio Council (WINOC), area electric, gas, and telephone utilities, the Regional Transit Authority (RTA), Cleveland State University, Cuyahoga Community College, and selected other groups are strong development partners.

State-level partners include the Ohio Department of Development, the Ohio Department of Transportation, and selected other state agencies. All of these resource groups should be invited to play more active roles in implementing the City's future economic development strategy. These contributions should be better coordinated with Parma City Hall in the future to increase their impact. City officials should arrange meetings with each organization to define how they can participate in putting *Parma 2001* into action.

⁷ The assessments of city challenges and opportunities is drawn from strategic planning sessions with the City's Economic Development Committee, surveys of local businesses and area economic development organizations, and other key inputs.

Parma's Major Development Opportunities

The City has future development potential in its residential, commercial, industrial, and institutional sectors. Entrepreneurial business development is a major opportunity for the City. Much greater attention should be given to the creation of new businesses in Parma. Current large employers face significant business retention challenges, but with the appropriate City help, they could be strengthened as future local growth generators. A strong work ethic, combined with a trained workforce, are positive attributes for future local economic development.

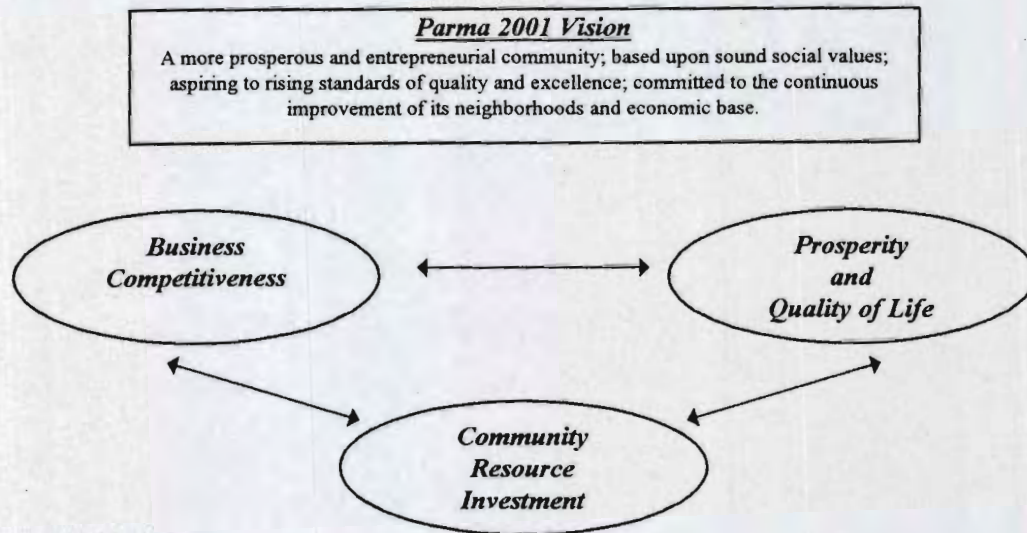
As a suburban community, Parma must identify development opportunities that increase the wealth and quality of life of its residents. Many of these opportunities will exist elsewhere in the Greater Cleveland region. Parma should become a much greater "technology user" in the future. Its future use of advanced information and communications technologies should be given major greater attention. Local incentives to stimulate greater use of these technologies by residents and employers are urged.

III. Parma 2001 Strategic Thrusts

Parma 2001 contains a three-prong strategy to position the City of Parma for increased economic development over the next ten years. These thrusts are: 1) increase local business competitiveness through strategic intervention by the City of Parma and its development partners; 2) increase resident prosperity and improve the local quality of life through greater economic development; and 3) make strategic area and community resource investments to increase the City's competitive advantages for increased job and wealth creation.

These three thrusts will prepare Parma as a more active participant in the regional economic development process. They will define city government's role in this process. These are identified in Figure 2 below.

Figure 2
Parma 2001 Strategic Directions



Thrust 1: Increase Local Business Competitiveness

The first component, *Business Competitiveness*, focuses on strengthening Parma's business and institutional employers, which comprise the community's economic base. Employers are important to local economic development because they create jobs and financial wealth for residents. Economic diversity is vital to community prosperity. Therefore, many different types of employers are important to Parma's economic development. However, some employers have a greater economic impact within the community. High-impact employers, or those generating more local economic wealth, should receive City Hall's primary attention as an economic development target. The City's largest employers, including General Motors, MTD Products, Kaiser Permanente, Parma Community Hospital, and other entities are examples of high-impact businesses.

Proposed Business Development Targets

Three business development targets should receive City Hall's top attention over the next five years. Each offers different opportunities for increasing business and personal wealth.

Entrepreneurial Growth Goals

The first priority is to stimulate greater entrepreneurial growth, with an emphasis on creating a measurable increase in the number and quality of new business enterprises developing in Parma. Three entrepreneurial development goals should be pursued:

1. Increase resident self-employment through home-based entrepreneurship;
2. Create new niche-based smaller companies serving emerging local and regional market needs; and
3. Create new export-based manufacturing and service businesses based upon innovative technologies.

Home-Based Enterprise Development

Description - More Parma homes should strive to become "economic units" for the local and regional economy. It requires some vision to see this future development, but leading national experts believe this is a future trend for which communities should prepare. The city and regional economies are incapable of creating a sufficient number of high-quality and financially-rewarding jobs in traditional business and institutional settings for the population. More people will look to self-employment as a future source of income. Data on home-based business trends are not available. The City should undertake a survey within the next year to identify the number and type of these businesses in the City.

Goals and Benchmarking Approach - There are various approaches to setting goals and benchmarks for this strategy. Any approach adopted would benefit from the results of the proposed City entrepreneurial survey. One approach involves linking home-based business starts to unemployment trends in the community. Currently 2.2 percent (1,000

people) of the City's 44,600-person laborforce is unemployed. This is very low by most standards. The City may want to set a benchmark of helping 2.2 percent (22) of these 1,000 people to start home-based enterprises each year over the next five years. This would represent 110 new home-based businesses in the City by the year 2000. The focus of this initiative should include all segments of the population, not just those unemployed.

Niche-Based Venture Development

Description - Niche-based service and manufacturing businesses have grown well in the Greater Cleveland region. These firms tend to be highly specialized in their products, services, and markets. Parma should capitalize on these businesses as a future source of economic development. Larger-scale county and regional economic development strategies are focused on stimulating local growth through actions such as increasing local visitor activity, creating new businesses in polymer, advanced manufacturing, and other growth industries, and helping restructuring larger corporations to spin-off selected business units considered outside the company's core business competencies. These strategies should be examined to identify promising opportunities for new business starts in Parma.

Goals and Benchmarking Approach - Interviews with regional economic development groups should be conducted to identify 4-5 candidate areas in which this strategy could be used by Parma. For example, the regional travel and tourism industry could be selected as a general opportunity area. In each area, a limited number of promising new business opportunities should be identified. For example, a regional tour operator business focused on historic landmarks, museums, and local cultural resources could fit this description. Similar type opportunities should be identified in the other areas.

Technology-Based Entrepreneurship

Description - Technology and information-based businesses will account for a greater share of the region's future growth. Not many of these type businesses are currently

located in Parma. Parma should work to increase its competitive advantages for technology and knowledge-intensive businesses. Focused human resource, real estate, financial, and other strategies must be implemented to create these advantages. In large part, the City should follow a recruitment strategy for increasing its share of these businesses. Stronger linkages to technology centers like the Cleveland Advanced Manufacturing Program (CAMP), Case Western Reserve University, Cleveland Clinic Foundation, Enterprise Development Inc. (EDI), and other groups will increase the chances of locating these type businesses in Parma in the future.

Goals and Benchmarking Approach - Interviews with the area's leading technology resource groups should be used to: 1) identify locational requirements of these businesses; and 2) identify possible candidate companies which could be recruited to Parma. In the first year, Parma officials should identify 2-3 projects to use as "test cases" to learn what business recruitment strategies are most effective with these type businesses. Specific benchmarks can be set after this initial work is completed.

Strategic Entrepreneurial Development Initiatives

The City of Parma should organize three initiatives to increase entrepreneurial development within the City. In each case, the City should identify best practices in structuring these initiatives. The City and its Economic Development Committee should identify 1 or 2 communities or organizations doing the best job of running similar initiatives. An assessment of best practices should be conducted in each case.

- *Parma Enterprise Center* - create a business incubator, either in conjunction with Cuyahoga Community College or separately, to provide direct assistance to the three entrepreneurial targets identified above. The Enterprise Center should serve as the focal point for developing the three entrepreneurial growth targets described earlier. An available facility within the community, suitable to service and manufacturing business starts, should be purchased or leased by the City. Only high-impact businesses should be admitted to the incubator since their local economic contribution will be greater.

A careful business plan defining the role and operations of the incubator should be prepared as the first step. An advisory board, comprised of local and regional business and economic development representatives, should be formed to help guide the activity. If the facility is purchased, grant moneys from the State of Ohio, private contributions from local businesses and banks, and available Community Development Block Grant funds should be used. Working partnerships with regional business and entrepreneurial groups, including the Council of Smaller Enterprises (COSE) and Cuyahoga Community College's Unified Technology Center, should be established to draw upon available talents and resources.

- *Parma Entrepreneurial Training Course* - create a new, or access an existing, entrepreneurial training course, which can be televised on a local cable TV station on a regular basis. The course should be run by the Enterprise Center. Investigate the potential of interactive television services to allow those taking the course to play a more active role in their training. Seek credit from Cuyahoga Community College, Cleveland State University, and Parma City Schools, for those completing the course. A percentage of those admitted to the course should be drawn from local high schools to encourage the early consideration of self-employment as a career choice. Scholarships should be provided by area businesses and foundations to support deserving and needy students. Those residents paying for the course themselves should be given a credit against either their local property or income taxes.

- *Community Entrepreneurial Awards* - Develop a series of awards for residents creating and running successful new businesses. While Parma residents should be the primary focus, at least one award annually should be given to a nonresident running a highly successful young business. Awards should also be given to high school and college students starting successful school-based businesses. These individuals should be encouraged to work in competency-based teams in building and running new businesses. An annual awards dinner, media coverage, and other activities should be

made a part of this special recognition initiative. Contributions from local businesses should be sought to operate this business.

4. *Anchor Employer Retention and Expansion* - assist large manufacturing, service, and institutional employers in the community that face major challenges affecting their future local presence. This initiative is designed to deal with a small number of very large and important employers in the community. Three priorities should be pursued under this target:

- Large manufacturers, such as General Motors, which face major global cost and competitive pressures;
- Major institutional employers, like Parma Community Hospital, Kaiser, and Cuyahoga Community College, which may face significant changes in their industries in the future; and
- Large retail operations affected by restructuring in this sector.

Description - Parma depends upon a few major employers, like General Motors, for a major part of its tax base and jobs. General Motors accounts for nearly 25 percent of City Government's \$38 million in annual revenues. While these employers have been good to the community in the past, they are under enormous pressure to increase the competitiveness of operations worldwide. These changes could make local facilities vulnerable to employment reductions and general downsizing. Parma must be prepared to anticipate future industry and community changes affecting existing operations' competitiveness. Even many institutions are impacted by restructuring; especially those tied to the health care and educational sectors. Both are large employers in the community.

Goals and Benchmarking Approach - Since this initiative is designed to deal with a limited number of employers, retention and development strategies and goals should be prepared for each employer. Benchmarks should create achievable expectations in goal attainment with respect to each employer. For example, one goal set for the GM

plant could be to help the facility become one of the most cost-competitive of all GM plants nationally. In this case, specific benchmarks should be set on best practices used by communities housing GM plants to assist these facilities in becoming more competitive.

5. *Small and Medium-Sized Business Growth* - assist these firms to expand in the community, given their favorable job creation potential in the future. Two categories of businesses should receive greatest attention:

- *Amenity-producing businesses* that increase the quality of life in the community. These include businesses linked to recreation, entertainment, communications, transportation, education, and other community amenities; and
- *Export-based businesses* selling their products and services to regional, national, and international markets, and thus attract new outside income into Parma. While manufacturing businesses are typically seen in this sense, export-based businesses can also include retail stores, health care providers, educational institutions, recreational activities, and other economic activities. The Greater Cleveland Growth Association recently completed a study of target industries for development in Greater Cleveland.⁸ Prime targets include: polymer businesses; medical and biotechnology firms; advanced machinery and equipment manufacturers; general technology-driven manufacturing; and corporate headquarters and administrative offices.

Small and medium-sized businesses “fit” well in the community. They also offer favorable job growth potential. Parma should rely on its private sector to produce and provide more future amenities required in the community. It should also help “export-base” businesses grow locally, because of their

⁸ Source: Greater Cleveland Growth Association, *Target Industry Task Force Report: Closing The Gap*, July 26, 1995.

to produce and provide more future amenities required in the community. It should also help “export-base” businesses grow locally, because of their ability to create local jobs that serve regional, national, and global markets. These opportunities deserve greater economic development attention in the future.

Goal Setting and Benchmarking Approach - A community business survey should be used to identify which local companies meet the requirements of an “export-based” business. The survey should identify these firms, and also determine what major factors will lead to a major increase in the growth of these businesses’ export markets. The City should work to help these firms overcome barriers limiting their export sales. This is an area in which the City will need to rely upon other regional economic development and business assistance resources to provide help to companies. The City should identify best practices in providing this assistance.

Thrust 2: Enhance Resident Prosperity and Quality of Life

The enhancement of resident prosperity and quality of life is the second thrust of the *Parma 2001* strategy. The final test of economic development is its impact on community prosperity and quality of life. Economic development strategies and programs are not successful unless they increase these benefits to local residents. As largely a residential community, this is an especially important challenge for Parma.

Prosperity Linked to Quality Jobs - Future prosperity will derive from the knowledge and skills of workers, and the ability of community and governmental institutions to provide high-quality services that enable and empower residents to access better economic opportunities. Computer literacy and electronic information access are essential ingredients to quality job creation and increased prosperity. Quality jobs offer the

advantages of higher pay levels, increased job security, and greater personal rewards and satisfaction.

Amenities Linked to Higher Quality of Life - The presence of high-quality amenities is the ultimate measure of a community's quality of life. Amenities grow out of a community's basic human values, and the sound investment of its financial wealth to create new economic and social good. Parma City Government invests significantly in amenities.⁹ Even greater investments will be required in the future to produce measurable improvements in the community's overall quality of life.

Parma Quality Job Initiative

Not all jobs have the same local economic impact. Knowledge-based jobs in both service and manufacturing industries will be the truly durable, or sustainable, jobs of the future. These jobs are best equipped to survive new cost pressures, technology changes, and other developments. The Growth Association's target industry list includes many industries providing these type jobs.

The definition of a "quality" job is relative in many ways. However, general agreement exists on six general characteristics of these type jobs. These include: 1) the job relates to the core competencies of the business and therefore is a high-skill "value-added" job; 2) it is multi-skill and multi-task in nature; 3) it involves performance in work teams or groups; 4) the job involves "core" skills which are transferable in nature; 5) it has above average knowledge and technology requirements; and 6) it offers the employee significant financial and personal rewards.

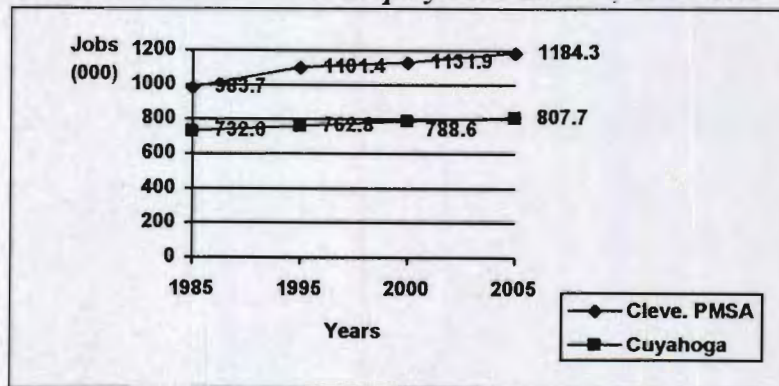
Figure 3 below identifies general employment forecasts for the Greater Cleveland region and Cuyahoga County to the year 2005. These forecasts expect the region to increase total employment by 82,900 jobs over the next ten years. This represents a 0.75 percent

⁹ Source: Financial analysis reports by Kevin O'Brien, Urban Center, for this project.

annual growth rate for the region. Cuyahoga County total jobs are expected to increase by 45,700 over the same period, for a somewhat slower 0.59 percent annual growth rate.

These trends imply an overall slower economic growth environment for Parma, as it launches its new economic development strategy. This suggests the City must be even more aggressive in its future job development efforts. One of the greatest threats to job retention and attraction in Parma is the inadequate land supply in the City. The inability to offer competitive sites for expansion and relocation will contribute to the continued outmigration of employment and firms from Cuyahoga County's inner ring suburbs. Every job located in Parma represents on average \$32,330 in annual earnings, the ability to support 68 percent of a Parma household, \$374 per year in municipal income taxes, and \$751 per year in total revenues to Parma City Government. The loss of 100 Parma jobs would result in the estimated direct loss of \$3.23 million in earnings, \$37,400 in municipal income tax, and \$75,100 in total City government revenues.

Figure 3
Greater Cleveland Total Employment Growth, 1985-2005¹⁰



Source: OBES data, WEFA forecasts, CSU analysis

First, existing jobs in the community should be upgraded to higher quality standards. This means increasing these jobs' knowledge and technology content. Community employers should be financially-rewarded and publicly-recognized for making current

¹⁰ Based upon WEFA forecasts and OBES historical data.

jobs more durable. Residents making investments in their own workforce preparation should also be rewarded and recognized. Parma must capture a higher percentage of these durable/sustainable jobs in the future to retain and enhance its role as a regional economic player. A second action should be to attract quality jobs from non-local businesses. Parma should work with Growth Association officials to help the region increase its supply of these jobs in the future. Parma will need to communicate its advantages for durable job creation in the future to regional economic development groups, State of Ohio development officials, and others having influence with knowledge and technology-intensive businesses.

Goals and Benchmarking Approach - The general approach should be to set a goal in terms of the number and type "quality" jobs to be created in Parma over the next five years. The results of a recent regional labor market study report by the Center for Regional Economic Issues (REI) at Case Western Reserve University should be examined for guidance on which occupations qualify as "quality" jobs.¹¹ The focus of these initiative should be three-fold: 1) upgrading the quality of jobs currently held by Parma residents in Parma; 2) providing higher quality jobs for unemployed and underemployed residents; and 3) attracting more new businesses to Parma which offer a high percentage of quality jobs, regardless of whether they are held by Parma residents. A survey of Parma employers will be necessary to identify the current number of quality jobs, and the number likely to be created in the next five years. The Quality Jobs Initiative should focus on ensuring that these jobs are created in Parma.

Two policy actions are recommended for further evaluation by Parma City Hall to promote future quality job creation:

- *Knowledge and Skill Enhancement Centers*: Provide local tax incentives and other special assistance to local employers transforming their human resource and personnel departments into dynamic knowledge and skill enhancement

¹¹ Gottlieb, Paul, *Industries, Occupations, and Training Needs in the Cleveland-Akron Labor Market*, REI, CWRU, December, 1995.

centers. This experiment could become a national role model for durable job creation. In addition to local property and income tax credits and abatements, Parma officials should help the State of Ohio to design a new statewide employment tax credit program rewarding employers for quality job creation. Several states, including Oklahoma, have such programs in place.

- *Residential "Quality Job" Incentives:* Two actions should be evaluated for future implementation: 1) Parma residents should be given a credit against local income and property taxes for those investments they make in upgrading their work skills; and 2) they should receive a local tax credit for purchasing a home computer that is used directly for educational and employment purposes. This credit should be based upon usage time devoted to these two purposes, which can be measured by their schools and employers through the creation of a Serial Line Internet Protocol (SLIP) account access for students and workers. Also, efforts should be made to reduce, or eliminate the state and local sales tax on computer equipment and software sales for educational and employment uses.

Amenity and Experience-Based Economic Development¹²

The community's quality of life hinges to a high degree on the amenities and experiences available to residents and businesses. People judge life by their "experiences." Positive experiences lead to favorable community perceptions, and negative experiences contribute to less favorable judgments. Economic development planning should be more attentive to how people experience a community. Most attention is mistakenly given to the infrastructure itself, but infrastructure is only a means to other ends. From a community economic development standpoint, infrastructure provides access to amenities and experiences which are vital to the local quality of life.

¹² Donald Iannone is engaged in seminal research on the use of amenity and experience-based economic development strategies as part of a larger research project on local knowledge-based economies.

Access to amenities and experiences will be increasingly important to both future residential and business location decisions. An important point is that Parma does not need to provide/produce all of these amenities itself. Rather, it must be strategically-located to offer access to them. High-quality amenities are vital to existing resident retention, and the attraction of new middle and upper income residents. Residents and businesses in Parma build upon the available transportation system, and other public service infrastructure, to use and create various amenities. Parma must be experienced as comfortable, convenient, secure, profitable, accessible, attractive, interesting, and useful place to live and work. In the absence of these essential qualities, people and businesses will leave the community.

Amenity-based economic development represents a new wave in local economic strategy. Three sets of factors drive business location decisions: 1) cost factors in line with the business' financial requirements and resources; 2) operational factors specific to the business' primary functions; and 3) amenities which add value to the business and its principal owners and decision-makers. All three are important in judging Parma's attractiveness (competitiveness) as a location for diverse businesses and industries. Amenity-based economic development is especially important to knowledge-intensive businesses. They are key to operations like corporate headquarters, research and technology centers, and a wide range of other operations requiring a favorable community image.

Cities concerned about the role of amenities in economic development must learn to apply the thinking mastered by Walt Disney in creating entertainment experiences. This is the concept of "planned or guided experience." The future re-engineering of Parma, should concentrate on programming the community experience through the use of gateways, "front doors", multi-media communication, new signage, and other techniques, to alter people's sense of place. High-amenity places will appeal positively to a wide range of human senses, including sight, sound, and others.

Security, comfort, convenience, warmth, direction, meaning, excitement, and intrigue should replace experiences of fear, confusion, complication, ambiguity, boredom, and other undesirable experiences. The *Parma Gateway Initiative* is proposed to help create the desired experience of the Parma community.

Parma Gateway Initiative

Establish clearly defined transportation gateways to the City, which help build and reinforce a new and vibrant image and experience of Parma. A City icon should be selected and used throughout this community design process. A creative firm should be hired to assist the City in developing the icon concept. This icon should symbolize the City's progressive attitude toward economic and community development. The icon should be futuristic, and it should reflect the City's future economic vision. Businesses and institutions within the community should be encouraged to use the icon to help the City build this new identity. City Hall should be the first to adopt the icon.

These gateways should orient visitors and residents to Parma, and should set expectations about the City's development activities and amenities. They should guide people's experience of the City. New signage will help. The action package should also include landscaping, increased use of greenspace, the removal of unsightly and deteriorated real estate, and other actions.

Ridge Road should be improved as one of the City's primary gateways. One or two others should be identified. Each of the City's major neighborhoods, business districts, and industrial zones should be challenged to create "front doors" which orient people to these areas. These front doors should link to the City's three overall gateways. This effort could be funded by a demonstration grant from the Ohio Departments of Transportation and Development. Local matching funds should be raised from local businesses, and Parma City Government.

Goals and Benchmarking Approach - This approach to economic development is new as a distinct strategy, although many communities have wrestled with related issues in devising economic development marketing strategies which focus on community image development. As the next step, Parma officials should talk with specialists in the entertainment center/complex design business to understand how they combine architecture, construction, information and communications technology, and other component skills to produce a “planned experience” of place. These essential principles should be identified, and a plan prepared on how they will be applied to the Parma Gateway Initiative. Specific goals and benchmarks should be set once this initial work has been completed.

Thrust 3: Strategic Area and Community Resource Investment

Parma Neighborhood and Business Zone Revitalization Initiative

Parma is a “built” community in the sense that the major portion of its land area is already in use. This situation is common to most inner-ring Cleveland suburbs. Planned physical changes in the City’s residential neighborhoods, commercial districts, and industrial areas should be anticipated, as part of the City’s economic development strategy.

Seven geographic areas should be given top attention for revitalization purposes: 1) NW Quadrant area; 2) Triangle area; 3) Parma Community Hospital area; 4) ParmaTown Shopping Mall area; 5) the proposed Golf Course project area; 6) the CCC West Campus area; and 7) the Brookpark/Jennings Freeway area. The City should work with local stakeholders in preparing area development plans for each area. These area development plans should incorporate the amenity and experience-based economic development thinking discussed earlier. Future growth plans of major businesses and institutions should be defined in the context of the area’s overall development plan.

Three cross-cutting strategic actions are recommended to enhance the City's development areas:

- *Citywide Landbanking Program*: Prepare an updated land use plan for the City to help guide future landbanking and assembly activities by City Hall, or an appropriate private nonprofit entity designated by the City. This program should contain five elements: 1) demolition and clearance, where needed; 2) acquisition and control; 3) assembly into larger developable sites; 4) infrastructure improvement; 4) acquisition financing; and 5) marketing for future reuse. Best practice benchmarking is encouraged in this area. Two or three successful community programs should be examined for guidance.
- *21st Century Industrial Park*: The creation of a state-of-the-art industrial park should be a top priority to capture expansions of existing small to medium-sized companies, as well as attraction of other growth companies in the Cleveland area. This park should be 45-60 acres in size, with plenty of greenspace. The Northwest region of the City is one possible location for this park. Others should be evaluated. A focused marketing strategy is needed to pace the park's fill rate. This can be best done with the assistance of professional industrial realtors and regional economic development groups. Two or three successful industrial parks should be examined to identify best practices in developing this park in Parma.
- *Commercial Area Competitiveness*: Commercial activities are currently spread across the City. This leads to inefficient use of real estate, and other community resources. Consolidation of these retail activities is essential to correcting many of the zoning and land use inconsistencies found along the City's major highway arterials. The City should work to concentrate its retail activities into a series of strategic locations over the next decade. *Shop*

Parma, a proposed new retail marketing campaign jointly sponsored by major retail entities in the City, could increase the City's overall visibility as a desirable place to shop. A Parma Retail Council should be organized to work with City Hall in making retail shopping more competitive in the future. Benchmarking is encouraged as the next step.

Community Resource Investment

The strategic investment in supporting *community infrastructure* is necessary for Parma's future economic development. This infrastructure spans communities within the region, and it requires continuous improvement to support existing and new economic purposes within the community. This infrastructure includes the regional and local transportation systems, area schools and colleges, and many other public infrastructure resources. The quality of the City's intellectual and information resources will be increasingly important to future economic development based upon "human capital."

Four key priorities deserve initial attention. The first two relate to transportation, and the second two relate to educational and communication infrastructure.

- *Completion of the Parma Gateway Initiative*, which will enhance access within the City, and also build a new economic identity and image for Parma within the region. The Gateway initiative would provide an opportunity to improve Ridge Road, and other major arterials serving the City.
- *Improved Public Transportation Service* - which should support the accomplishment of the City's new economic development strategy by enhancing resident mobility to jobs and educational opportunities. Key employment centers include the NW Quadrant area, the ParmaTown Shopping Center, and Parma Community Hospital area, as well as other key areas.

- *Citywide Integrated Computer and Cable Television Network* - which would bring together these two sets of influential technologies to improve the education and training of Parma residents for the workforce, and enable more Parma homes to develop as centers of enterprise and commerce. Computer and communications technologies represent the wave of the future. Parma should seek a demonstration grant from Ameritech, local cable television stations, and area community foundations to devise a plan for bringing these two technology bases to directly support workforce development and economic development.
- *Citywide Workforce Training Council* - The City should help organize a citywide workforce training council that brings together area schools, CSU, CCC, private employers, and other workforce resources to define how existing human resource development and educational programs can be better focused on Parma's economic development vision and goals. This effort should be coordinated with the Growth Association's new workforce initiative. Parma officials should request a briefing with those running the program to identify how the proposed Parma Council could benefit from this regional initiative. The Council should be charged with devising innovative workforce preparation and job creation strategies associated with all three primary thrusts of the *Parma 2001* strategy.

IV. Implementation Plan

The final section of the report outlines an implementation plan which the City should follow in putting the *Parma 2001* recommendations into action. First, a set of administrative and procedural issues should be addressed.

Economic Development Advisory Committee

The Committee has played a valuable role throughout the planning process. It is recommended that an expanded version of the Committee continue in the future.

Selected organizations involved in implementation should be added. Candidates include: Cuyahoga Community College; the Greater Cleveland Growth Association; the Council on Smaller Enterprises; and selected other groups. An executive steering committee should be formed to simplify future decision-making, and ensure that implementation actions are coordinated to achieve this strategy's overall goals.

City Hall's Role

The City will need to continue in the primary role with the project. While several development partners will be included in the process, the City must remain in the driver's seat to ensure that momentum continues throughout the implementation period.

Phase 1: Stakeholder Engagement

The City should engage those main stakeholder groups involved in implementing the Parma 2001 initiatives. This process should be used to refine the 16 proposed initiatives and set clear priorities. The City should allow three months for these discussions and follow-on planning sessions. A series of group and individual presentations will support this process. Two internal presentations are recommended: 1) City Council; and 2) key City administrators and managers. Following these presentations, a public community-wide presentation should be arranged to inform local business, civic, and neighborhood groups, and the general public.

Individual briefings are suggested with key implementation stakeholders, potential funding sources, and other support groups.

Timeline: April - June, 1996

Phase 2: Detailed Development Initiative Plans

A series of detailed implementation plans must be prepared for all major initiatives chosen for implementation. CSU suggests the following initial prioritization of these activities:

Table 2
Implementation Schedule for Proposed Development Initiatives

Proposed Initiative	First Priority	Second Priority	Third Priority	Comments ¹³
1. Parma Enterprise Center	x			Core
2. Parma Entrepreneurial Course			x	
3. Community Entrepreneurial Awards			x	
4. Anchor Retention/Expansion	x			Core
5. Small/Mid-Size Business Project		x		
6. Parma Quality Job Initiative	x			Core
7. Employer Knowledge/Skill Cntrs		x		
8. Residential Quality Job Incentives		x		
9. Parma Gateway Initiative	x			Core
10. Parma Neighbor./Business Zones		x		
11. Citywide Landbank	x			Core
12. 21st Century Industrial Park		x		Core
13. Commercial Area Initiative			x	Core
14. Public Transportation Improve.		x		
15. City Computer/Cable Network	x			Core
16. Citywide Workforce Council		x		Core

Proposed Implementation Plan Elements

A common set of elements should be contained in each initiative's detailed implementation plan. These are:

1. Action team members
2. Clear mission statement, goals, and objectives
3. Clear definition of activities and projects
4. Financing plan: a) start-up budget; and b) operations budget
5. Timelines: each developed in phased format
6. Key and support roles during implementation and on ongoing basis
7. Evaluation and monitoring procedures
8. Coordination and linkages to other activities
9. Unique considerations for the initiative

¹³ Core = initiative is fundamental to city's economic strategy success.

Timeline: June, 1996 - September, 1996

Phase 3: Implementation Actions

Each initiative will be scheduled for implementation. Implementation activities should commence in the Fall, 1996 and conclude by the following Fall, 1997.